

South Carolina Department of Insurance

MARK SANFORD
Governor


Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201

SCOTT RICHARDSON
Director of Insurance

Mailing Address:
P. O. Box 100105, Columbia, SC 29202-3105
Telephone: (803) 737-6150

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TO: All Insurers, Producers and Brokers Transacting the Business of Insurance in South Carolina

FROM: Scott H. Richardson, CPCU 
Director

SUBJECT: Loss Run Reports

DATE: July 24, 2009

I. PURPOSE OF THIS BULLETIN

It has come to the Department's attention that some insurers may be withholding claims experience information from insureds when the renewal of a policy is approaching. The purpose of this bulletin is to remind insurers, producers and brokers that the claims experience data of insureds belongs to the insured and must be furnished to insureds and former insureds upon request.

II. LOSS RUN STATEMENTS AND CLAIMS EXPERIENCE REPORTS

Insurers routinely collect the claims experience of insureds occurring within a policy term. Reports of this claims experience are sometimes called "loss run statements," "loss run reports" or simply "loss runs." Loss runs reflect key claims data including reserves, payments and case status, as well as summarized policy information, such as policy number, policy period, and limits. Loss runs are useful for developing risk management plans, setting maintenance priorities and tracking the results of current risk management efforts.

A loss run statement must be provided by an insurer within ten (10) business days of receipt of a written request submitted by an insured, former insured, or a producer or broker acting on behalf of an insured or former insured. The loss run statement provided pursuant to a written request should be a three (3) year loss run history for the prior three (3) years or a complete loss run history with the insurer if the history is less than three (3) years. No fees may be charged to prepare and furnish one (1) loss run statement for each policy term. In the event that more than one request is made by an insured, former insured, or a producer or broker acting on behalf of an insured for the same policy term, an insurer may make a nominal charge for the cost of preparing and mailing such a report not to exceed twenty-five cents (25¢) per page plus mailing costs.

A producer or broker that receives a loss run statement pursuant to a request from an insured or former insured shall provide the loss run statement to the insured or former insured within five (5) business days of its receipt from the insurer. Producers or brokers that receive a loss run statement shall not divulge consumer information to any third party except in accordance with applicable laws governing the privacy of consumer financial information, health information, or other information that is otherwise required by law to be held as confidential.

Failure to provide a loss run statement within the timeframes set forth above shall be considered an unfair trade practice pursuant to S.C. Code Ann. § 38-57-10 *et seq.*

IV. QUESTIONS

Any questions or concerns about this Bulletin should be addressed to the attention of:

Jim Byrd, Deputy Director
Consumer Services and Individual Licensing
South Carolina Department of Insurance
Post Office Box 100105
Columbia, South Carolina 29202-3105
Phone: (803) 737-6143
jbyrd@doi.sc.gov

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